



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 3/26/2008

GAIN Report Number: PL8010

Poland

Citrus

Florida grapefruit enjoy big new market

2008

Approved by:

Eric Wenberg
AgWarsaw

Prepared by:

Eric Wenberg & Jolanta Figurska

Report Highlights:

The European Union is a top destination for U.S. grapefruit, importing \$50.6 million in 2007. Member states like Poland are popular, new destinations for high quality goods like Florida grapefruit and many brands are in the market currently. More grapefruit is available than expected due to the borderless, movement of products throughout the Union. A recent wholesale market visit showed Florida grapefruit available in Poland in quantities far greater than trade statistics indicate. Polish consumers eat fresh U.S. fruit, like grapefruit, after its transhipped through ports in the Netherlands and Germany. With wage rates growing more than 18 percent annually and the economy white hot at 6 percent annual GDP growth, new consumer goods such as grapefruit are in high demand.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Warsaw [PL1]
[PL]

On a visit to the Bronisze wholesale market near Warsaw, Florida grapefruit were visible everywhere, being traded by wholesalers to hypermarkets, supermarkets, retail outlets, restaurants, hotels, and market vendors. FAS staff observed four different name brands of U.S. white and ruby red grapefruit. The presence of U.S. grapefruit in Poland isn't surprising, but an EU without borders does make tracking and promoting product more complicated. U.S. trade statistics show almost no product exported to Poland, just \$514,000 sold in 2007. \$50.6 million was sold to the EU 27 in 2007. However, Poland imported \$30.5 million worth of grapefruit from all sources, including \$13 million from the Netherlands. There is a whole bunch more U.S. product in Poland than indicated by statistics.

During a visit March 20 to Bronisze, FAS staff observed many boxes of Florida grapefruit stacked and ready for sale. Offered in single boxes, pallets or whole containers, one salesman reported selling up to 100 tons of Florida grapefruit each week during its sales season starting from the fall. Six different wholesalers had product. Grapefruit was a popular item during the Easter holidays that just passed with a long weekend in Poland. Florida grapefruit was available at fruit and vegetable markets and in supermarkets around the city over the weekend. Local vendors reported that the Dark Red/Star Ruby varieties seemed most popular and have the highest demand with consumers if the skin has a slight reddish tinge. The grapefruit were fresh, retained their quality during shipment, and tasted delicious. Traders report that their Florida grapefruit came via the Netherlands and Germany.

The wholesale market in Bronisze trades 40 percent of Poland's domestic fruit production and 30 percent of domestic

vegetable production. The market consists of 8 hectares of warehouse on 40 hectares of land on the outskirts of Warsaw. Two new hectares of warehousing are under construction. The facilities are world class, but room is still needed outside the covered warehouses to accommodate all the traders. Bronisze's reach inside Poland is so great, they can safely claim to help feed in some measure the full population, 38 million. The wholesale market operates with imported product and is a year-round sales machine. 650 traders offer their goods, moving 6 million tons of fruits and vegetables each year. Bronisze transships product from Italy, Spain, Bulgaria, the Netherlands, Germany, and France. For points further east, such as Belarus, Ukraine, and Russia, the market acts as a consignment point for consolidating containers. The market is respected for its trade rules and effective, non-partisan management. One vendor said it all, "Bronisze is huge. Even Tesco (hypermarket) shops here!".



Andrzej Kowalczyk, Deputy Director, Bronisze Wholesale Market (right) poses with Florida grapefruit helped by FAS Warsaw Specialist Wlodek Makowski

Florida grapefruit were promoted in Poland prior to the Easter holidays in Auchan by one of the largest Florida grapefruit importers, Vasco Fruit. During the promotion sales of grapefruit

went up 100 percent. The outlook for grapefruit is ripe with promise, especially with consumers becoming much more health conscious and consuming greater amounts of products such as grapefruit.

Since the late 1990s the Polish economy has grown rapidly. In 2007, GDP grew 6.5 percent with 6.1 percent in 2006 and 3.5 percent in 2005. Economists forecast that GDP should grow by at least 5.5 percent in 2008. Poland's GDP per capita amounted to \$8,960 in 2006 and increased to \$11,000 in 2007. Inflation has risen slightly, averaging 3.5-4.0 percent in 2007 and 2008, an increase from 1.5 percent in 2006. Unemployment has fallen steadily from 2001. The unemployment rate was 14.9 percent in 2006, 11.4 percent in 2007, and is expected to decrease further in 2008 to 10.5 – lower than Germany and France. Wage rates grow here 18 percent annually; wealthy consumers are hungry for new products.